

FIG. 3.

FROM FIG. 3

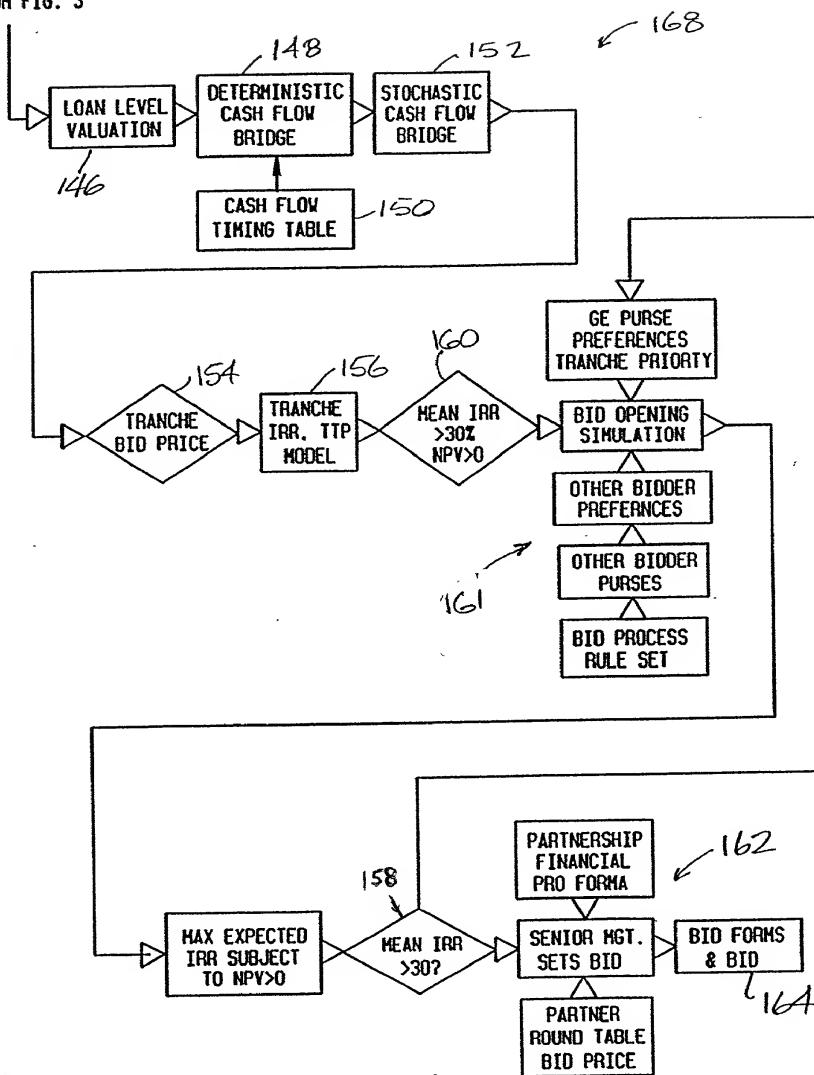


FIG. 4

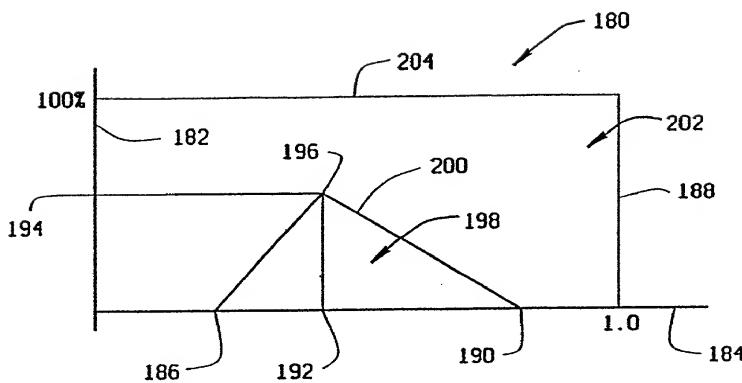


FIG. 5

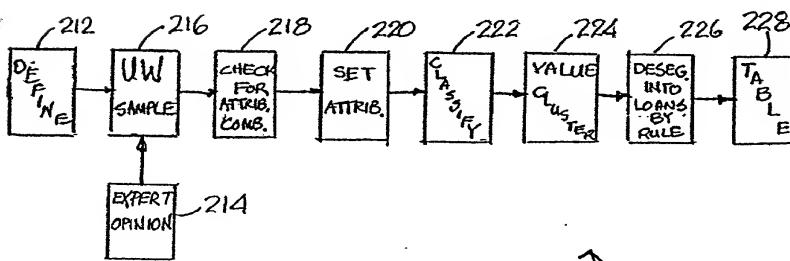


FIG. 6 ↑ 210

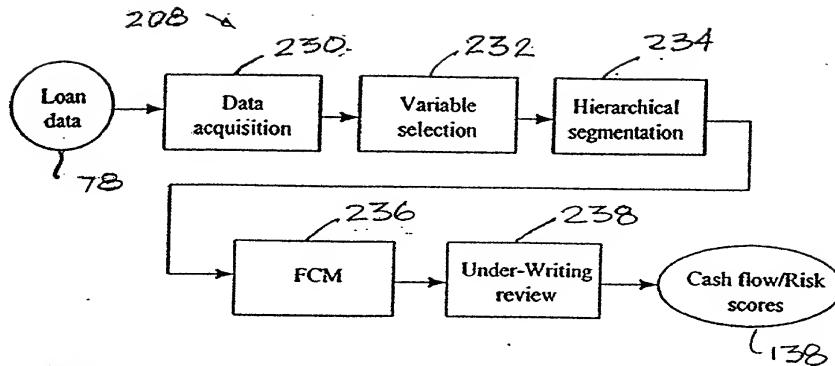


FIG. 7

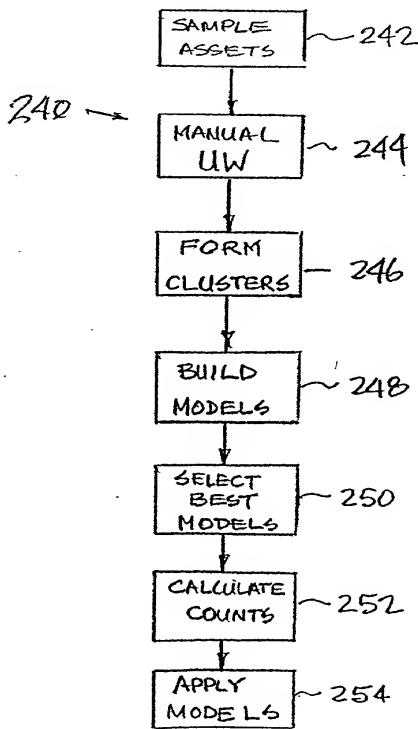


FIG. 8

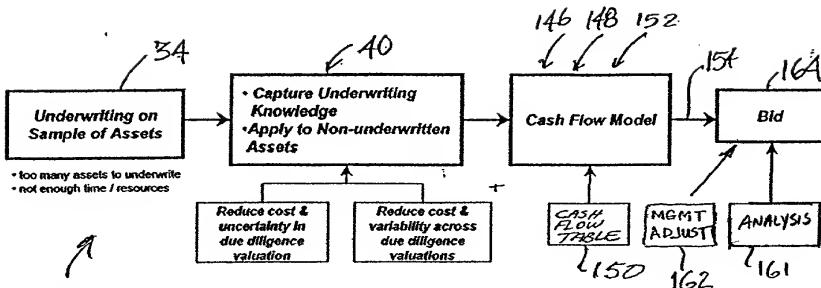


FIG. 9

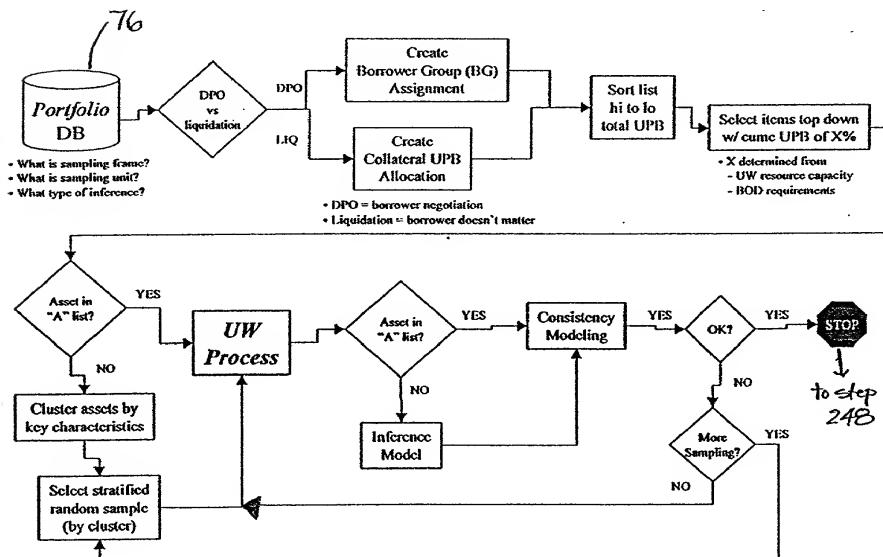


FIG. 10

**6 Models Built:**

- models differ by which variables used
- UW assets get the minimum error prediction (actual - predicted)

250

— BY —

Variables Used	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Land Area	X		X	X	X	
Bldg Area	X		X	X	X	
Old Appraisal						X
GEN1 Predicted Current Appraisal	X	X	X	X	X	
GEN1 Predicted Realized Price	X	X	X	X	X	
Property Type	X	X	X			
Location	X	X		X		
Com / Res	X	X	X	X	X	X
Group (cluster)	X	X	X	X	X	X

**Model "Weights":**

- each cell is count of times the model produced best prediction for UW assets
- determines weights for averaging predictions for non-UW assets

256

Model	Asset Class	Group	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Sum	
			1	13	13	13	21	21		
Court Auction	Residential	1	5	5	10	15	4	12	51	
		2	4	7	9	3	13	23	59	
		3	2	15	11	4	13	8	53	
Market Value	Commercial	1	16	13	11	10	15	21	86	
		2	29	22	29	27	24	19	150	
		3	6	16	5	5	20	2	54	
Total										
258										

252

FIG. 11

Variable	Category/Value Range	Encoding Scheme
Loan secured	{Yes, No}	Yes = 1 else 0
Loan type	{Revolving, Non-revolving}	Revolving = 1 else 0
Last payment	[0, 250 MM]	0 if Last payment = 0 else 1
Notice of default sent		Prior to Jun 97 equals 1 else 0
Original maturity date		Prior to Jun 97 equals 1 else 0
Syndicated Loan	{Yes, No}	Yes = 1 else 0
Loan guaranteed	{Yes, No, NAV}	Yes = 1 else 0
Collection score	[0, 1]	
Lien position	{-1, 0, 1}	1 if Lien position = 1 else 0
Current unpaid balance/Original balance	[0, 2.9]	Normalized to [0, 1]
Last payment to Interest/Last payment	[0, 1]	

80

FIG. 12

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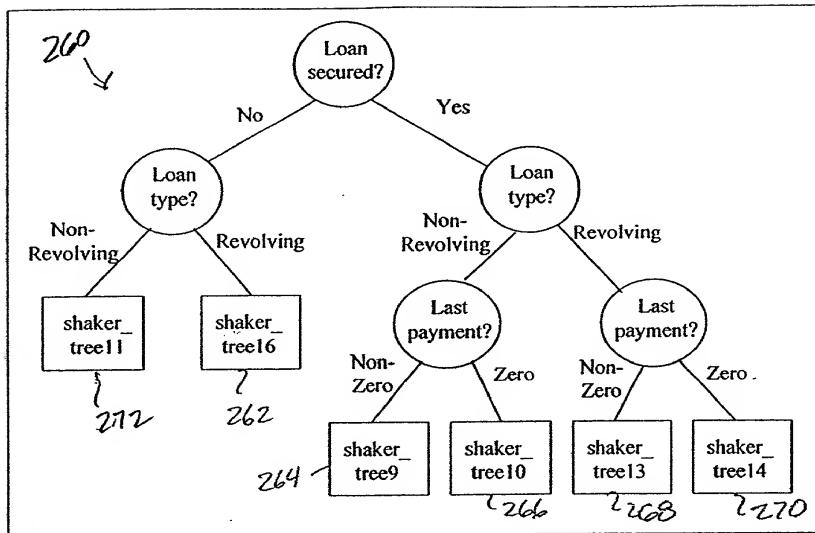


FIG. 13

Figure 9

